



Insurance Institute of Michigan (IIM)

Formed 2003

Top 5 Reasons To Get to Know the Insurance Institute of Michigan

5. We know people
4. We can explain the differences between MAIPF, MCCA, MBPIA, MPCGA, MWCPF
3. Despite what you may have heard, we are nice people
2. Chances are one of my members insures you
1. And the number 1 reason you should get to know us...we may be able save you money on your car insurance!

IIM - The Team

Professional staff with many years of experience.

- Pete Kuhnmuench, Executive Director
- Dyck Van Koevering, General Counsel
- Lori Conarton, Communications Director
- Julie Zdybel, Membership/Administrative Director
- Lesley Ford, Insurance Information Consultant

IIM - Membership

IIM members provide automobile, homeowners, liability, medical malpractice, workers' compensation, and other property/casualty products to businesses and individuals.

- 38 Property/Casualty Insurance companies/groups operating in Michigan
- Reinsurers
- National Trade Associations
- Law Firms
- Technology and Service Firms

IIM – Full Members

- AAA
- Accident Fund Group
- Affirmative Insurance Group
- Allied Insurance Company
- Allstate Insurance Group
- American Fellowship Mutual Insurance Company
- Badger Mutual Insurance Company
- Chrysler Insurance Company
- EMC Insurance Companies
- Farm Bureau Insurance
- Farmers Insurance Group
- Farmers & Merchants Mutual Fire Ins. Co.
- FCCI Insurance Group
- Foremost Insurance Company
- Frankenmuth Insurance
- Fremont Insurance Company
- GEICO Group
- GMAC Insurance Holdings Group
- Grange Insurance Company of Michigan
- Great Lakes Casualty Insurance Company
- Hastings Mutual Insurance Company
- MEEMIC
- Michigan Commercial Insurance Mutual
- Michigan Millers Mutual Insurance Company
- Nationwide Insurance Company
- North Pointe Insurance Company
- Northern Mutual Insurance Company
- Pioneer State Mutual Insurance Company
- ProAssurance Insurance Company
- Progressive Insurance Company
- Retailers Mutual Insurance Company
- Secura Insurance Company
- Sentry Insurance
- Star Insurance Company
- State Auto Insurance Companies
- State Farm Insurance
- Titan Insurance Company
- USAA Group
- Wolverine Mutual Insurance Company

IIM - Purpose

- Serve as a central focal point for consumers, legislators and the media.
- Provide a stronger, more unified voice for the property/casualty insurance industry before the Michigan Legislature and Regulatory Agencies.

IIM - Activities

- Legislative Affairs
- Judicial & Legal Affairs
- Media & Public Information
- Consumer Affairs

IIM – Legislative Affairs

- Advocacy
- Provide Committee
Testimony
- Background Information
- Experts in Field of Insurance



IIM - Judicial & Legal Affairs

- * Amicus Briefs on cases which would impact the business of insurance
- * Litigation, such as recent credit-based insurance scoring action

IIM - Media & Public Information



Editorials

Urban Costs, *Detroit Free Press*
Fire Fees, *Battle Creek Enquirer*
MCCA, *Detroit News*
Motorcycle Helmets, *Lansing State Journal*, Kreiner, *Detroit News*

News Conferences

Arson, Deer Crash, Motorcycle Helmets, Severe Weather

Website

www.iiminfo.org

Spokesperson for Industry

Featured in 200 news reports annually

IIM - Consumer Affairs

Insurance Information Hotline

800-777-8005



- * Calls on all lines of insurance, not just property/casualty
- * 88% handled by consultant
- * Available to assist with all type of constituent concerns/questions

P/C Insurance Industry - Commercial

Business Insurance policies can provide protection for all major property and liability risks

According to OFIR 2010 Report:

- * Market is competitive
- * Rates have decreased
- * No issues of availability

P/C Insurance Industry – Workers' Compensation

Workers' Compensation is an insurance system mutually beneficial to both employees and their employers.

According to a report by Workers' Compensation Research Institute:

- Average cost per claim in Michigan was 35 percent lower than median of other studied states.
- System was a competitive asset for the state

P/C Insurance Industry – Medical Malpractice

Medical Malpractice covers doctors and other professional in the medical field for lawsuits arising for their treatment of patients.

According to OFIR study:

- Medical malpractice insurance market stable.
- Claims decreased from 2000-2007, but claim cost increased.

P/C Insurance Industry – Homeowners

In Michigan, homeowners insurance is a good buy.

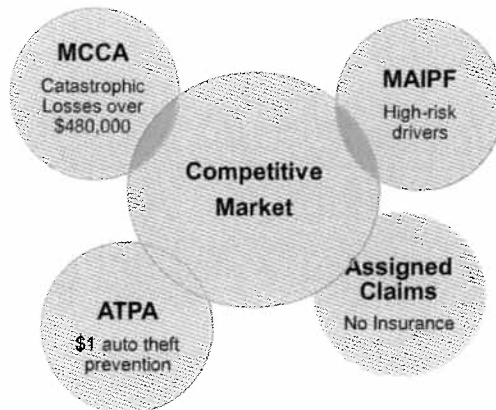
- * The average homeowner premium in 2008 was \$751, below the countrywide average of \$791.
- * Renters shouldn't overlook the need for insurance. The average premium is \$174.

P/C Insurance Industry – Auto Insurance

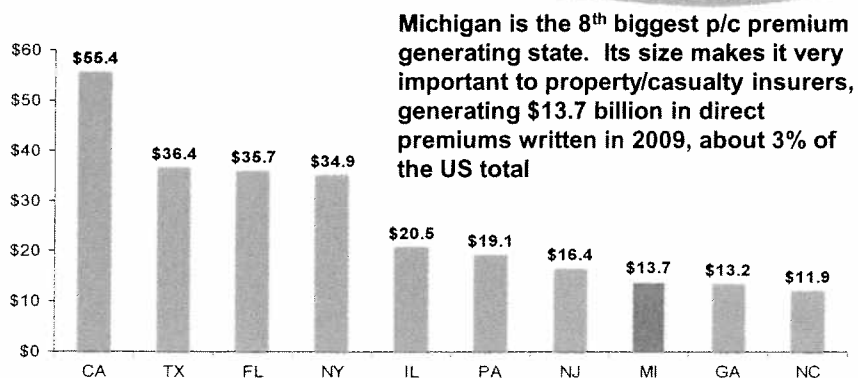
Michigan is generally recognized as having the most unique no-fault law in the United States.

- * Provides prompt payment of benefits
- * Before no-fault 35 cents out of every dollar spent was on legal fees
- * Provides **unlimited, lifetime** medical benefits
- * Limits lawsuits

P/C Insurance Industry - Auto Insurance



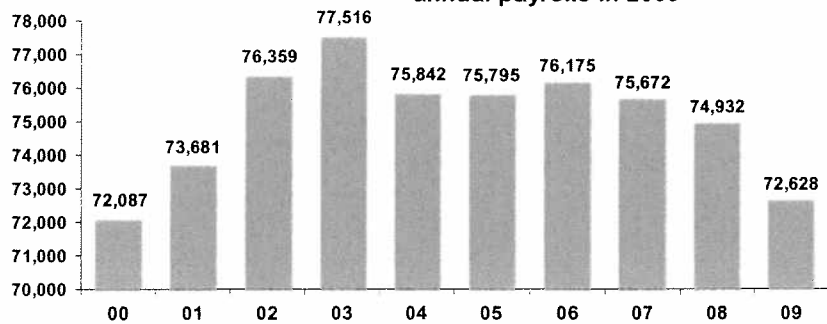
Insurance Industry – Contributions to the Economy



Source: Insurance Information Institute

Insurance Industry - Employment

Michigan Insurance carriers have employed at least 72,000 people since 2000, generating more than \$4 billion in annual payrolls in 2009



Source: Insurance Information Institute

Insurance Industry - Taxation

Single Business Tax – Base Rate + 126% Surcharge

MBT – SBT with 16% increase in tax rate

Corporate Tax – Status Quo with Loss of Credits

Insurance Industry - Taxation

Domestic insurance companies pay the Michigan Business Tax (MBT). Foreign insurance companies (companies not headquartered in Michigan) pay the MBT or retaliatory tax, whichever is greater.

Michigan Business Tax Collection FY2009 (including SBT/Retaliatory taxes paid by insurance carriers)	\$2,283,819,000
Michigan Business/Retaliatory taxes paid by insurance companies in Michigan in FY2009	260,995,203
Percent of SBT paid by insurance companies FY'09	11%
Special assessments paid or incurred by property/casualty insurance carriers operating in Michigan in 2009	196,521,000
Licensing and regulation fees paid to state in FY'09	6,323,073
Assessment paid in FY'09 to fund Michigan Office of Financial and Insurance Regulation	14,873,198
Total paid by insurance companies for taxes and special programs	\$478,712,474

Insurance Industry- Taxation

Special assessments and other costs paid or incurred by insurance companies for state-mandated funds and special programs in 2009:

Michigan Automobile Insurance Placement Facility	4,129,000
Michigan Workers' Compensation Placement Facility	15,716,000
Michigan Basic Property Insurance Association	-0-
Automobile Theft Prevention Authority	6,243,000
Assigned Claims Facility	157,330,000
Silicosis, Dust Disease and Logging Industry Compensation	1,451,000
Second Injury Fund	6,594,000
Safety Education & Training Fund	4,900,000
Michigan Property & Casualty Guaranty Association	158,000
Total	\$196,521,000

Now You Know IIM!

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